

MEMORANDUM

Doc. # 5219

ADOPTED

AUGUST 17, 1989

TO: BOSTON REDEVELOPMENT AUTHORITY AND
STEPHEN COYLE, DIRECTOR

FROM: THOMAS O'MALLEY, ACTING ASSISTANT DIRECTOR FOR
NEIGHBORHOOD HOUSING AND DEVELOPMENT, AND
MARIA FARIA, SENIOR PROJECT MANAGER

SUBJECT: SOUTH END URBAN RENEWAL AREA, PROJECT NO. MASS R-56
REQUEST AUTHORIZATION TO PROVIDE A \$300,000 LOAN TO
LANCASTER LIMITED PARTNERSHIP FOR THE CONSTRUCTION OF A
40 UNIT HOUSING DEVELOPMENT AT 6-24 EAST CONCORD STREET

SUMMARY: THIS MEMORANDUM REQUESTS THAT THE BOSTON REDEVELOPMENT
AUTHORITY (BRA) PROVIDE A LOAN IN THE AMOUNT OF
\$300,000 TO THE LANCASTER LIMITED PARTNERSHIP FOR THE
PURPOSE OF DEVELOPING 6-24 EAST CONCORD STREET INTO 40
UNITS OF HOUSING OF WHICH 12 WILL BE AFFORDABLE FOR
LOW- AND MODERATE-INCOME FAMILIES.

Parcel R-11C is located at 6-14 East Concord Street in the South
End Urban Renewal Area, Project No. Mass R-56. This site
consists of approximately 7,949 square feet of vacant land and is
included in the Phase I of the South End Neighborhood Housing
Initiative (SENHI) program. Parcel R-11B owned by McDonald
Carriage House Limited Partnership, formerly known as Old Boston
Restorations, is located at 16-24 East Concord Street. Parcel
R-11B is about 8,361 square feet of vacant land.

On May 11, 1989, the BRA granted final designation to Lancaster
Limited Partnership ("Partnership"), formerly Old Boston
Restorations, as redeveloper of Parcel R-11C for the purpose of
creating 18 mixed-income rental units and 14 parking spaces in a
newly constructed four-story brick building.

The Partnership intends to combine 6-14 East Concord Street with
16-24 East Concord Street to develop a 40 unit rental development
with 38 underground parking spaces. Twelve of the units will be
affordable for low- and moderate-income families. Six (6) of the
12 units will be available for low- income tenants or for Section
8 certificate holders. The remaining six (6) units will be
available for moderate-income families. The anticipated start of
construction is September, 1989.

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The total development cost is \$3,712,103. The Partnership has received commitment from the Neighborhood Housing Trust in the amount of \$283,254. Federal National Mortgage Association (FNMA) has committed \$2,880,000 to the project. The Partnership will provide \$248,849 in equity to the project. The remaining \$300,000 is needed to complete the necessary financing.

The development team has been attempting to provide the equity capital adequate for the development of this project. However, the investors have indicated that they will invest in a completed project. Because of the market conditions, the investors are not willing to invest in the construction phase of the project. To ensure the affordability goals and to adhere to the design and parking requirements, the Partnership is requesting a \$300,000 loan from the BRA at 9% simple interest per annum. The loan will be for a period of 15 months. Accrued interest and principal will be repayed at the end of the 15 month period. The provision of this loan will facilitate a September construction start.

The \$300,000 loan will be secured by a \$235,000 mortgage and note on 132 West Concord Street and a \$100,000 mortgage and note on 6-24 East Concord Street which will be junior to the construction financing. David C. Parker as Trustee for Freise Realty Trust currently owns 132 West Concord Street. The 132 West Concord Street property has an appraised market value of \$560,000 and has an outstanding mortgage of \$325,000. The property at 6-14 East Concord currently owned by the BRA will be conveyed to the Partnership in September, 1989. McDonald Carriage House Limited Partnership currently owns 16-24 East Concord Street.

In addition, the mortgage and note will also be secured by personal guarantees of David and Karen Parker. David and Karen Parker are principals of Lancaster Limited Partnership.

The project has received Zoning Board of Appeals approval and approval from the South End Landmark District Commission. The Final Working Drawings and Specifications have been approved by the BRA Urban Design and Development Department.

It is, therefore, recommended that the Director be authorized to execute the necessary documents to provide a loan in an amount of \$300,000 to Lancaster Limited Partnership for the purpose of constructing 40 rental residential units with 38 underground parking spaces located at 6-24 East Concord Street. Twelve of the 40 units will be affordable for low- and moderate-income families.

An appropriate vote follows;

VOTED: That the Director be authorized to provide a loan in the amount of \$300,000 to the Lancaster Limited Partnership on the terms and conditions as presented ("the Loan"), and that the Director be authorized to execute and deliver any and all agreements and/or documents deemed to be necessary of the BRA in connection with Lancaster Limited Partnership and with David and Karen Parker. Lancaster Limited Partnership intends to develop 6-24 East Concord Street into 40 rental units of which 12 units will be affordable for low- and moderate- income families.

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Commonwealth Mortgage Company, Inc.

Sun Life Executive Park
P.O. Box 9111
Wellesley Hills, MA 02181 • Tel. (617) 431-7700

August 8, 1989

Ms. Karen Parker
Old Boston Restorations
477 Shawmut Avenue
Boston, MA 02118

Re: Lancaster House, a Proposed 40-Unit
Apartment Property, at
12-24 E. Concord St., Boston, MA;
Multifamily Loan Request

Dear Ms. Parker:

You have requested a summary of the current status of the application of Lancaster Limited Partnership under the Major Rehabilitation program offered by Fannie Mae's Multifamily Loan department in support of the captioned project.

As you know, Fannie Mae's representatives, at the time of their site inspection, indicated that approval was pending and that the issuance of Fannie Mae's Offer to Commit was essentially subject to the Partnership's timetable.

The original request was for \$2.6 million for seven years, based upon a 35-year amortization schedule, Fannie Mae's standard program. An interest-only period would precede amortizing payments, to accommodate construction, which construction is to be funded from equity, the NHT loan, the proposed funding by BRA, and Loan proceeds, in that order.

Since the time of your request, interest rates have significantly declined. It is now possible to finance up to \$2.88 million under the Multifamily program, the maximum amount possible based upon CMC's and Fannie Mae's value estimate for the property, and remain in conformity with Fannie Mae's standards for adequate debt coverage.

On that basis, we anticipate that Fannie Mae's Offer to Commit will be for \$2.88 million at a rate of about 9.75%.

Very truly yours,


Russell E. Rosenberger, Jr.
Senior Vice President

RER:js

MEMORANDUM

TO: Thomas O'Malley

FROM: Maria Faria

DATE: August 1, 1989

SUBJECT: Request an Approval for a \$300,000 Loan to Lancaster Limited Partnership

1. Board Date Requested:
August 17, 1989

2. Board Action Sought:
The memorandum requests that the BRA enter into a contract for a \$300,000 loan with Lancaster Limited Partnership for the purpose of developing 6-24 East Concord Street into 40 rental units of which 12 will be affordable for low- and-moderate-income families.

3. Justification for Requested Board Date:
Lancaster Limited Partnership intends to start Construction of East Concord Street Housing this September. The Partnership has been unsuccessful in raising all the necessary equity for the project. The partnership has only \$248,849 to complete the financing for a \$3,712,103 housing development. Financing will be the last step for this project.

4. Outstanding Potential Issues:

5. Proposed Preparation for Board Meeting:

PROJECT FACT SHEET

1. PARCEL OR PROJECT NAME:

East Concord Street Housing,
Parcels R-11B, R-11C

2. PROJECT MANAGER/TEAM:

Maria Faria, Project Manager

3. DEVELOPER/ADDRESS:

Old Boston Restorations, (David Parker), 477 Shawmut Avenue,
Boston, MA
Business Address

4. SITE LOCATION:

Parcel R-11C, 6-14 East Concord Street
Parcel R-11B, 16-24 East Concord Street

5. PARCEL DESCRIPTION:

Parcel R-11C, located at 6-14 East Concord Street, is currently owned by the Boston Redevelopment Authority (BRA) and consists of about 7,949 square feet of vacant land. In 1985, the Parcel was leased to Old Boston Restorations for the purpose of improving the lot as open space. The parcel is included in the South End Neighborhood Housing Initiative (SENHI) program.

Parcel R-11B, located at 16-24 Concord Street, is currently owned by Old Boston Restorations and consists of approximately 8,361 square feet of vacant land. In 1985, the Authority conveyed this Parcel to Old Boston Restorations for off-street parking for the residents at 26-34 East Concord Street.

6. ACTION REQUESTED:

The memorandum requests that the BRA provide a loan in an amount of \$300,000 to Lancaster Limited Partnership for the development of 6-24 East Concord Street into 40 rental units of which 12 will be affordable units.

7. PREVIOUS BOARD ACTIONS:

- A. On October 8, 1987, tentative designation was granted to Old Boston Restorations as redeveloper of Parcel R-11C.
- B. On November 10, 1988, the Authority Board recommended approval to the Zoning Board of Appeal for the eight (8) zoning variances with the following provision: that a Transportation Access Plan agreement be approved by the Boston Transportation Department staff.

- C. On July 14, 1988, the Housing Creation proposal of Unicorp American Corporation of 73 Tremont Street, Boston, was approved by the BRA board to fund three (3) separate Housing Creation proposals. The proposals were as follows: (1) Old Boston Restorations, (2) Operation Food, Inc., and (3) Hi-Tech Structures, Inc. According to the Board vote Unicorp American Corporation is obligated to make a linkage payment of \$283,254.00 in seven (7) annual payments to Old Boston Restorations.
- D. On January 12, 1989, Board voted to reimburse Old Boston Restorations up to \$75,000 of verifiable costs associated with application fees, soil testing, site analysis and removal of contaminated soil from Parcel R-11C.
- E. On May 11, 1989, the Board granted final designation to Lancaster Limited Partnership as redeveloper of Parcel R-11C. Also, the Board voted to allow Old Boston Restorations to change the legal entity that will hold title to the project to Lancaster Limited Partnership.

8. DEVELOPMENT PROGRAM:

The plans which include both Parcel R-11B and Parcel R-11C will create forty (40) rental units and 38 underground parking spaces in a four story brick row house style building. Twelve of the units will be affordable. The parking garage will require excavation footing walls, and the slab. The residential component of the project will be comprised of premanufactured modulars and finished on site in brick.

9. TOTAL DEVELOPMENT COSTS:

The total development costs are \$3,712,103.

10. ZONING:

On January 10, 1989, the Zoning Board of Appeals unanimously voted to grant approval subject to the following provisos: (1) that the plans be subject to design review by the BRA; and (2) that the Zoning Board of Appeals be the final arbiter upon receipt of approval of new plans.

11. DESIGN:

Tom Mastros has reviewed and approved the Final Working Drawings and Specifications as submitted.

12. FAIR HOUSING PLAN:

Joan Smith has reviewed the Fair Housing Plan and Marketing Plan. She has approved the Plans.

13. COMMUNITY REVIEW:

Design review meetings were held in the community on August 18, 1988 and December 1, 1988. The community has reviewed the plans and supports the design plans.

14. TRANSPORTATION ACCESS PLAN:

The Transportation Access Plan has been approved by the City's Transportation Department.

15. CENTRAL REGISTER NOTICE:

Notice appeared in the Central Registry on June 30, 1987.

16. BRA APPRAISAL:

\$11,500.

17. ENVIRONMENTAL CLEARANCE:

The project does not require environmental clearance.

18. PROJECT REVIEW TEAM:

Thomas O'Malley
Ralph Cahill

Effective date: 12/13/88

DO NOT OMIT ANY CATEGORIES

MF2.58

NO. _____

MORTGAGE

DAVID C. PARKER
Trustee of Freise Realty Trust

TO

THE FIRST NATIONAL BANK OF BOSTON
BOSTON, MASSACHUSETTS

DATED July 5, 1989 19

ESTATE 136 West Concord Street
Bosto, MA 02118

_____ 19

AT _____ O'CLOCK AND _____ MINUTES
_____ M. RECEIVED AND ENTERED WITH

DEEDS

BOOK _____ PAGE _____

ATTEST

REGISTRAR

CF-123

MAIL TO: THE FIRST NATIONAL BANK OF BOSTON
Consumer Finance Department
P.O. Box 1769
Boston, MA 02105-1769

THE FIRST NATIONAL BANK OF BOSTON

BOSTON, MASSACHUSETTS 02110

Know All Men That David C. Parker Trustee under Declaration of Trust dated December 10, 1987 known as Freise Realty Trust, said Trust recorded in Suffolk Deeds in Book 14356 Page 326

(the "Mortgagor") of Boston

Suffolk County,

Massachusetts for consideration paid, hereby grant(s) unto THE FIRST NATIONAL BANK OF BOSTON (the "Mortgagee"), a National Banking Association having its principal place of business in Boston. Suffolk County, Massachusetts, with Mortgage Covenants to secure payment of TWO HUNDRED FIFTY THOUSAND DOLLARS \$250,000.00 whether such amounts are due or to become due or whether now existing or hereafter arising.

with interest and any other charges thereon, payable as provided in a certain note (the "Note") of even date, and also to secure the performance of all covenants and agreements herein contained,

the land together with all present and future improvements thereon or additions thereto, situated in Boston, County of Suffolk, Massachusetts, bounded and described as follows:

See the attached Exhibit "A" which is incorporated herein by reference and made apart hereof for the legal description of the mortgaged premise.

Meaning and intending to convey and hereby conveying the same premises described in the deed to the Mortgagor from David C. Parker

dated 10/30/70

recorded with Suffolk

Registry of Deeds in Book

8399

Page

235 (see Trust restatement in Book 14356 page 326)

This mortgage is subject to a prior mortgage to Workingmens Cooperative Bank dated Oct 30, 1970 and

recorded with said Registry of Deeds in Book 9006 in the original principal sum of \$32,000.00

, Page 164

Certain relevant terms of the Note are as follows: principal sum; \$250,000.00
base rate of The First National Bank of Boston plus 1.00% per annum
rate of interest or its equivalent in money;

period of loan; open ended

; periodic due dates;

5th

day

of each and every month commencing October 5, 1989

Mortgagor hereby grants Mortgagee a mortgage and security interest in all of the fixtures and equipment now or hereafter situate on the above-described premises or used in connection therewith, and all fixtures and equipment are herein collectively referred to as the "Property".

The following are the conditions of this Mortgage:

Mortgagor covenants and agrees:

- (1) to keep the Property in good order, repair and condition, damage from casualty expressly not excepted and not to remove or alter anything which constitutes a part of the Property without the consent of the holder;
- (2) to pay all taxes and assessments on the property before interest or penalties accrue;
- (3) to keep the property insured (a) under a policy of property insurance in an amount at least equal to the total principal amount due on all mortgages on the property, and (b), if required by applicable law, under a policy of flood insurance in an amount at least equal to the indebtedness secured hereby;
- (4) to pay when due all fees and charges incurred by the holder incident to the loan transaction evidenced by the Note and secured by this Mortgage, the assurance of the security represented by this Mortgage, and incident to the enforcement of the Note and this Mortgage.
- (5) not to convey, transfer or encumber the property or to alter, amend, refinance, renew or extend or otherwise modify any mortgage presently on the property;

If the Mortgagor fails to provide and maintain insurance as above provided, the Mortgagee may, at its option, provide such insurance and the Mortgagor promises to pay to the Mortgagee, upon demand, all costs and expenses incurred by the Mortgagee in providing such insurance.

If any payment required under the Note or under this Mortgage shall not be made when due or if any breach of the conditions or covenants of this Mortgage exists for more than 10 days, or if the Property be destroyed or damaged or if the Mortgagor's interest is conveyed, transferred, or encumbered, or if a receiver shall be appointed for any part of the property of the Mortgagor, or if there shall be an assignment for the benefit of creditors by, or proceedings under any bankruptcy or insolvency laws shall be commenced by or against the Mortgagor, then, in any such event, the holder shall have the right to declare the entire indebtedness of the Mortgagor under the Note forthwith due and payable. In addition and not in limitation of the foregoing, if there shall be any breach in any condition or covenant of this Mortgage, the holder shall have the right, but not the obligation, to cure such default for the account of the Mortgagor and, to the fullest extent permissible according to law, apply the proceeds from the sale of any property of Mortgagor in the possession of holder and any funds credited by or due from the holder to the Mortgagor against the same, which property and funds are additional collateral security hereunder and which rights may be exercised without any obligation first to enforce any other rights of the holder, including, without limitation, any rights under the Note or this Mortgage, and without prejudice to any such rights.

The word "holder," as used herein, shall mean the Mortgagee named at the beginning of this instrument and any subsequent holder or holders of this Mortgage.

All the covenants and agreements of the Mortgagor herein contained shall be binding upon the Mortgagor and the heirs, executors, administrators, successors and assigns of the Mortgagor; and, where more than one person constitutes the Mortgagor, the liability of such persons under this Mortgage for the obligations set forth herein shall be joint and several.

This Mortgage will be governed by and interpreted under the laws of the Commonwealth of Massachusetts. In the event of any conflict between the provisions of this Mortgage and any applicable law, the provisions of this Mortgage shall be deemed modified to the extent, but only to the extent required to comply with the applicable law.

... upon the STATUTORY CONDITION and upon the further condition that
... on the part of the Mortgagor herein undertaken shall be kept and fully
... and that no breach of any other of the conditions specified herein shall be
... of which conditions, the holder shall have the STATUTORY POWER OF
... The mortgagor certifies and warrants that he is the sole and acting Trustee
... Freise REalty Trust u/d/t dated December 10, 1987 as set forth in said amended
...; that no written amendments, alterations or changes have been made to said
... and that the same is in full force and effect; and that he has full right, power
and authorities from the beneficiaries thereof to execute this Mortgage

Witness our hands and common seal this 5th

day of July

A.D. 1989

David C. Parker Trustee of Freise Realty Trust as aforesaid

COMMONWEALTH OF MASSACHUSETTS

Plymouth ss.

July 5, 1989

Then personally appeared the above-named David C. Parker Trustee of Freise Realty Trust
as aforesaid and acknowledged the foregoing instrument to be his free act and deed.

Before me,

Notary Public

Alton L. Horte, Jr.

My Commission Expires: 1/11/91

